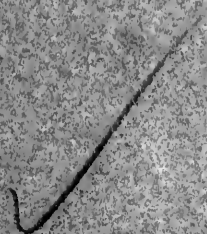




LIBRARY
OF THE
UNIVERSITY
OF ILLINOIS



REMARKS

UPON

RECENT COMMERCIAL LEGISLATION;

SUGGESTED BY THE

EXPOSITORY STATEMENT OF THE REVENUE FROM CUSTOMS,
AND OTHER PAPERS LATELY SUBMITTED
TO PARLIAMENT.

BY

THE RIGHT HON. W. E. GLADSTONE,

M.P. FOR NEWARK.

THIRD EDITION.

LONDON:

JOHN MURRAY, ALBEMARLE STREET.

1845.

LONDON :
Printed by WILLIAM CLOWES and SONS,
Stamford Street.

CONTENTS.

	PAGE
Introductory Remarks	5
The late Reductions of Customs' Duty considered :—	
I. With regard to the Proportion of our entire Trade which they have affected	6
II. With regard to the entire Amount of Revenue surrendered .	8
III. With regard to their particular results on Revenue and on Trade	13
Class A	16
Class B	17
Class E	18
General result upon Revenue of the Act 5 & 6 Vict., c. 47, as to Raw Materials	19
Class C	22
Class D	23
General result upon Revenue of the Act 5 & 6 Vict., c. 47, as to Manufactured Products	24
General result as to all the Classes	27
Rules to which the frame of the Act approximated .	28
General result of the Act upon our Import Trade .	29
Particular results :—	
Case of Timber	31
Case of Coffee	38
Principal Raw Materials affected by the Act other than Timber	39
IV. With regard to their results upon Domestic Producers .	43
V. The policy of these measures considered, with especial reference to the recent proceedings of Foreign Powers in matters of Trade	53
Conclusion	65

THE GATEWAY
1910

R E M A R K S,

§c.

§c.

THE ‘ Expository Statement of the Customs’ Revenue ’ of the United Kingdom, which was presented to Parliament at the opening of the session by her Majesty’s command, has attracted considerable notice from the public : and a desire has been expressed in the House of Commons by one of its most distinguished members * for something in the nature of a commentary upon that statement, which should bring clearly and definitely into view the leading results it may be found to establish. It is, indeed, obvious that a series of tables so complex and extended afford rather the crude materials of information to the general observer, than information itself.

On account of my official cognisance of those changes of the law in 1842, which led to the preparation of the document in question, I am led to make an attempt of the nature I have described. And upon the whole I have preferred making it through the medium of the press, rather than occupying so much of the time of the House of Commons, engrossed as it is by the mass of other business, as would be requisite for the purpose of an oral exposition essentially involving many figures and details.

With this introduction, I propose to traverse in succession the following departments of the subject :—

* Speech of Lord John Russell on motion for going into Committee of Ways and Means, Feb. 17, 1845.

- I. The proportion of our entire foreign trade which has been affected, in various degrees, by the reductions of the last three years.
- II. The amount of revenue directly surrendered by them.
- III. The actual results of the recent changes upon the revenue of the state and on our trade in various branches, so far as they are exhibited by the documents now before Parliament.
- IV. Their results upon domestic producers.
- V. The policy of these measures, with especial reference to the recent proceedings of Foreign Powers in matters of Trade.

My examination is suggested by the ‘Expository Statement’ and other kindred papers which have recently been laid before Parliament; but it will oblige me to enter into even the financial policy of the legislature and of the administration up to the present moment, so far as it is immediately connected with trade.

Again, it will turn, in the main at least, and directly, upon the course of our import trade. It is true, indeed, that Parliament has now sealed the doom of the very last of our duties upon exports: but this operation had long been within one step of entire accomplishment; and the amount of immediate relief remaining to be given by the final act during the present year was too small to produce a general effect of appreciable magnitude. I should rather plead that the value of the recent measures with regard to imports might be taken as the ultimate test of their value with reference to the exports with which those imports must be purchased; because, though we cannot in every particular case assume an immediate trade outwards when we create a trade inwards, yet it is manifest that upon the whole such is the law which must govern our commercial transactions.

I. As to the proportion of the trading operations of the country which the measures have embraced.

In the Account of trade and navigation,* annually presented to Parliament at its meeting, I find the principal imports of the

* Paper No. 18, Sess. 1845.

country specified to the number of one hundred and thirty-five. Of these the duties have been reduced or removed upon one hundred and six ; upon twenty-nine they remain unaltered.

Again, if we take the official valuations of all imports into the United Kingdom for the year 1843 (the latest for which the accounts have been published), we find that they amounted to the sum of 70,093,000*l*.

The total values of all those articles (as nearly as I can compute them without minute detail) upon which no change has been made amounted to about 8,500,000*l*. of the entire sum ; and the values, which have shared in various degrees the relief afforded by the alterations, amount to about 61,600,000*l*.

It is well known that the criterion of official value is extremely fallacious in detail. It is, however, unfortunately, the only form in which, at the present moment, our imports are reduced to a common measure, and rendered capable of being treated as a whole. In several of the cases the standard fixed has now become, through change of circumstances, egregiously false. Thus cotton wool is valued at 7*d*. and 7 $\frac{3}{4}$ *d*. per lb., or nearly twice its average price ; fir timber at 15*s*. per load, or less than a third part of its average price ; and tea, again, at 2*s*. per lb., which is not much short of twice its average price. Still it does not appear to me that, when the scale of computation is so large, these errors, which very much neutralise one another, materially interfere with my object : and therefore the proposition holds good that of our whole import trade seven-eighths have been affected by the reductions of import duty which Parliament has adopted in the years 1842-5.

It is true that they have been affected in very various degrees. On raw silk, for instance, and hemp, both of them important articles, only the insensible duties of 1*d*. per lb. and 1*d*. per cwt. respectively were imposed by the previous law. But, speaking generally, the reductions and remissions have been far from inconsiderable. For instance, on the three great articles of sugar, timber, and corn, the diminution made, though it cannot be estimated with strict accuracy, may be said to amount nearly to one-half of the duties previously subsisting.

II. At the same time it is undeniable that whatever may be the extent of these measures in reference to trade, in reference to the whole amount of revenue which we raise from imported commodities, they have been secondary. Four articles, of the first class with respect to the amount of duty levied from them, have been left wholly untouched. They are the articles of

1. Tea, yielding in 1844	£4,524,000
2. Tobacco	3,977,000
3. Wine	1,991,000
4. Spirits	2,211,000
	<hr/>
	£12,703,000

or more than half of the entire revenue derived from the customs.

With respect to this topic, it is enough to say that no considerable party in this country appears to contemplate any fundamental change in the system by which we supply a very large part of the wants of the Treasury through the medium of indirect taxation: and, so long as this is the case, any reductions of duty, which may be conceded from time to time, must always bear but a small proportion to the amount still continuing to be levied. But the four articles, which I have quoted as the most conspicuous and productive among those unaffected by the recent alterations, are none of them articles of the first rank in our trade. The aggregate values of the whole four, independent of duty, do not equal the value, taken singly, either of the cotton or of the sugar, or in most years of the grain, which we import.

There are only six other articles of any considerable importance to trade which remain, like the four above specified, subject to the same duties as those payable upon them before the Act of the 5 and 6 Vict. c. 47. They are these:—

1. Tallow, which in 1844 yielded	£174,000
2. Butter	186,000
3. Cheese	117,000
4. Raisins	159,000
5. Pepper	81,000
6. Silk manufactures of Europe	277,000
	<hr/>
	£994,000

If, then, we divide our imports according to the revenue they yield, the major part have remained untouched; but, estimated according to value, that is, according to their commercial importance, they are a small fraction of the whole with regard to which this can be asserted.

Let us now, accordingly, examine the extent of these changes in regard to revenue.

The reductions of 1842 were originally estimated as involving a loss of about 1,140,000*l.*, but during the progress of the measure of that year they were extended in a variety of particulars, and they ultimately reached not less than (without any allowance, except upon timber, for partial recovery through increased consumption) 1,550,000*l.*

The principal items were estimated at the time as follows :—

1. Raw Materials :—

Timber	£600,000	
Tanning and dyeing stuffs	110,000	
Hides and skins	60,000	
Turpentine	80,000	
Clover seed	70,000	
Furniture woods	50,000	
Other raw materials	165,000	
	<hr/>	£1,135,000

2. Articles of consumption :—

Coffee	£240,000	
Other articles of consumption and manufactures	77,000	
	<hr/>	317,000

3. Exported manufactures 100,000

Total	1,552,000
Subtract the coal-duty	114,000
	<hr/>
There remains	<u>£1,438,000</u>

The mere view of these figures, indeed, gives no adequate representation of the changes made in 1842. Many of them which removed prohibitions, and lowered duties formerly prohibitory to a moderate standard, were important on account of the principle which they recognised even when their direct effects were small. Many of them which involved the greatest difficulty, and aroused the most serious alarm, have proved to be almost nugatory in their operation on the domestic interests that regarded them with so much apprehension. It may be said that there was no justification for creating such alarm, if, after all, no important consequences were to follow from the change. I will not interrupt this portion of the inquiry by any detailed examination of the objection. But, in the first place, it should be remembered, that the reduction of prohibitory duty may give the very stimulus to domestic trade which may cause the foreign article to be excluded by being undersold. Secondly, it affords a security for good and economical manufacture which otherwise would not exist. Thirdly, each case of the kind renders the course of British legislation with respect to commerce more and more definite and intelligible to the rest of the world.

In 1843 there were no remissions of duty. In 1844 the duties of customs remitted were as follow :—

1. Sheep and lamb's-wool	£100,000
2. Currants (7 <i>s.</i> 2 <i>d.</i> per cwt. on 254,000 cwts.)	91,000
3. Coffee (2 <i>d.</i> per lb. on 9,854,000 lbs.)	82,000
	<hr/>
	£273,000

Of the duties of customs comprehended in the remissions of the present year, the first and greatest, namely, that on sugar, was estimated by Sir Robert Peel in his financial statement on the 14th of February, as involving a loss of 1,300,000*l.*

With the present prospects of supply from British sources, and of the working of the proposed classification of sugars, I should prefer charging the reduction upon sugar, combined with that on molasses, at 1,500,000*l.* A large sum without doubt: but in order to estimate rightly the equivalent received by the consumer,

we must take into view the reduction of price effected by the measure of last year, of which the bill now in Parliament is avowedly the complement: this cannot be estimated at less than 4s. per cwt. To this we have now to add a reduction amounting to 11s. 3d. per cwt. The diminution, therefore, in the long or wholesale price amounts to 15s. 3d. per cwt.; and to this is to be added relief from the subsequent charges for interest of money and profit on that portion of the price. If these are taken at 1s. 1d. per cwt., which I think a moderate computation, the total saving to the consumer from this financial operation will be about 1 $\frac{3}{4}$ d. per lb., or 16s. 4d. per cwt. Applying this to the quantity of 205,000 tons, which formed the consumption of the year 1844, we find the saving to the public will amount to no less than 3,348,000*l.*, which is purchased at a cost to the revenue of only 1,500,000*l.*, or less than one moiety of the benefit. We ought not, I admit, to set down among the sacrifices of the Exchequer anything more than it actually loses by the direct deduction of 11s. 3d. per cwt. from the tax. Thus computed, however, the amount still reaches to 2,306,000*l.*, while the loss to the revenue will probably be so far retrieved by an increase of consumption as to keep it down to 1,500,000*l.*, or about two-thirds of that sum. This calculation does not indeed pretend to minute accuracy; on the one hand it does not include any deduction on account of sugars to be charged at 16s. 4d. instead of 14s.; nor, on the other, any addition on account of the diminution of duty on molasses: but it seems to point out fairly the aggregate result.

The amount of taxation upon foreign trade remitted by the measures of the present year, as distinct from the balance of loss likely to be entailed upon the Treasury, may be stated as follows:—

1. Sugar	£2,306,000
2. Cotton	680,000
3. Duties on other materials of industry and partially manufactured articles	320,000
4. Duty on coals, and minor export duties	125,000
	<hr/>
	£3,431,000

We have therefore the whole amount of direct receipt surrendered by Parliament during the last three years as follows:—

In 1842	£1,438,000
In 1844	273,000
In 1845	3,431,000
<hr/>	
Total	£5,142,000

It appears, then, to be very worthy of note, that without taking into account the indirect benefit which has accrued from the extension of trade, or from the diminution of protective duties, the country has already received the reward of its submission to the income-tax in the removal, upon Customs duties alone, of an amount of taxation about as large as the sum which is yielded by that highly productive impost. The last year's return of the income-tax was 5,191,000*l.* This, however, does not present the whole case. In the Budget of 1842, on the one hand, a deficiency was calculated for the year 1842-3, amounting to 2,570,000*l.*, and so much of the income-tax as would absorb this deficiency was accordingly forestalled. On the other hand, duties other than those of customs, but in general connected with trade in other forms, have been repealed (or are now proposed for repeal), as follows:—

In 1842, on stage-coaches . .	£70,000
In 1844, on glass	45,000
on vinegar	25,000
on marine insurances	130,000
In 1845, on glass	642,000
on auctions	250,000
<hr/>	
	£1,162,000
Add customs'-duties repealed	5,142,000
<hr/>	
Total	£6,304,000

If then we assume, as we reasonably may, that the service of the present year is adequately provided for, and the revenue will balance the expenditure, it appears that the free surplus of the

income-tax, over and above what was required to supply actual deficiency, or 2,621,000*l.*, has been most economically laid out, as the saving in other taxes realised by means of it has been 6,304,000*l.*, or more than double its amount. The question may be raised how far this is owing to the course of legislation, and how far to the buoyancy of the national industry: this, being well content with either cause, I am not curious to discuss; in *some* proportion it must evidently be divided between them.

III. Having thus measured, in its most general form, the bearing of the recent legislation on the revenue of the country, I now proceed to examine in some degree of detail the effects produced by the changes adopted in 1842 upon the revenue, and also upon our general trade with foreign parts. I propose first to consider these effects as they affect the various great Classes of commodities, distinguished by successive letters of the alphabet, into which the ‘Expository Statement’ is divided: and subsequently to take into view singly the cases of such particular articles as may appear on any ground to demand a separate notice.

I must then, in the first place, beg the particular attention of the reader to the abstract which has been prefixed to the ‘Expository Statement,’ and which I here introduce for the greater facility of inspection; premising, that the eight schedules into which each class of articles is divided, have reference to the amount of revenue produced, upon a mean of two years, by the respective articles under the operation of the Act 5 and 6 Vict., c. 47, according to the following scale:—

Schedule I. Contains all articles yielding less than £100 each annually.

- „ II. From £100 to £500 each.
- „ III. From £500 to £1000 each.
- „ IV. From £1000 to £10,000 each.
- „ V. From £10,000 to £50,000 each.
- „ VI. From £50,000 to £100,000 each.
- „ VII. Upwards of £100,000 each.
- „ VIII. Articles free or prohibited.

Statement of the Expository Statement, showing the Net Annual Produce of the DUTIES of Customs on all ARTICLES imported into the United Kingdom, in two Years preceding and in two Years following the establishment of the New Tariff (5 & 6 Vict. cap. 47).

A. Articles in a raw state to be used in Manufactures.*				B. Articles partially Manufactured.				C. Articles wholly Manufactured.				D. Articles of Food.†				E. Articles not properly belonging to any of the foregoing Heads.				TOTAL.	
Mean Annual Produce of Duties.		Number of Articles.	Mean Annual Produce of Duties.		Number of Articles.	Mean Annual Produce of Duties.		Number of Articles.	Mean Annual Produce of Duties.		Number of Articles.	Mean Annual Produce of Duties.		Number of Articles.	Mean Annual Produce of Duties.		Number of Articles.	Mean Annual Produce of Duties.		Number of Articles.	TOTAL.
In two Years before the establish- ment of the New Tariff.	In two Years after the establish- ment of the New Tariff.		In two Years before the establish- ment of the New Tariff.	In two Years after the establish- ment of the New Tariff.		In two Years before the establish- ment of the New Tariff.	In two Years after the establish- ment of the New Tariff.		In two Years before the establish- ment of the New Tariff.	In two Years after the establish- ment of the New Tariff.		In two Years before the establish- ment of the New Tariff.	In two Years after the establish- ment of the New Tariff.		In two Years before the establish- ment of the New Tariff.	In two Years after the establish- ment of the New Tariff.		In two Years before the establish- ment of the New Tariff.	In two Years after the establish- ment of the New Tariff.		
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	
44	9,817	2,517	54	887	656	113	3,393	2,007	46	990	1,158	91	3,950	1,702	448	19,037	8,040				
45	36,665	11,279	19	6,536	5,043	31	10,208	7,620	15	4,118	3,988	27	14,415	6,531	137	71,972	34,461				
16	24,512	11,213	5	6,712	3,571	17	23,260	13,030	6	3,546	4,444	6	10,972	4,000	50	69,032	36,258				
28	322,881	78,373	11	40,835	32,814	27	85,767	92,673	28	71,803	78,419	15	49,432	35,213	109	570,718	317,492				
6	145,187	110,334	5	179,357	95,635	5	117,049	114,084		120,169	136,773	2	145,229	54,741	25	706,991	511,570				
2	148,165	157,659	..	..	..	..	..	..	3	240,841	237,944	..	..	..	5	389,006	395,603			
3	1,507,627	1,043,466	1	816,902	513,769	1	239,893	246,111	12	18,246,120	19,614,116	..	..	..	17	20,810,512	21,417,462			
8	196	..	..	..	..	2	..	..	4	..	..	8	..	..	22	196	..			
52	2,195,080	1,414,841	95	1,051,229	651,488	196	479,570	475,525	121	18,687,617	20,076,842	149	223,998	102,190	813	22,637,491	22,720,886				

A.—The limits of this Class have been so far extended as to include some Articles which, though not strictly in a raw state, have undergone only a slight degree of preparation. B.—Into this Class have been thrown, not only those Articles which contribute immediately to Human Subsistence, but also some which are used chiefly or entirely as the food of cattle: and others, Spices, Wine, and Tolaero, which properly belong to the class of condiments or stimulants.

I have already described the reductions of customs' duty made in 1842 as removing direct charges upon trade to the extent of 1,552,000*l.*; and I have divided those reductions, after withdrawing the sum of 100,000*l.* for the repeal of duties upon exports, into two branches according as they fell

- (1) Upon the raw materials of industry ;
- (2) Upon articles of consumption imported into this country ;

The amount of reductions under the first head was £1,135,000

The amount under the second	317.000
-----------------------------	---------

Making together . . . £1,452,000

Upon advertng to the five classes A, B, C, D, E, in the ‘Expository Statement,’ we shall perceive that classes A, B, and E contain the articles which may generally, though not with minute accuracy, be denominated the raw materials of industry, and which received remissions to the amount of 1,126,000*l.*, while classes C and D contain the two great divisions of articles prepared for consumption, viz., manufactured goods and articles of food, upon which, taken together, the remissions amounted to 326,000*l.* I shall therefore consider the three first together, and the two last together, as the most just and comprehensive mode of estimating the effect of the reductions.

But I have to make another and a material change in the arrangement of this Abstract. It purports to compare the mean receipts of two years antecedent to the law of 1842 (1838 and 1840) with those of the two years immediately subsequent to it. But instead of taking the mean products of these two latter years, I propose to take each year separately. There are several reasons for doing this. In the first place, for nearly four months of the earlier half of the year 1842 the new tariff had been announced, and its details were undergoing consideration. Deliveries of the articles affected by it were accordingly in a great degree suspended until the bill had become law in the commencement of July: and immediately afterwards unusually large quantities of goods were released, so that the first year shows in many cases rather more than is its due. No such objection applies to the second year, and it therefore affords a more just criterion of the working of the law.

But, besides this, the intention of Sir Robert Peel was declared to be, to reimburse the Exchequer for the remissions which he proposed—first, by their general effect upon trade and consumption—and, secondly, by augmenting the demand for the particular articles which were affected. Now, all recovery of this kind is of necessity gradual: and it is even more important, therefore, to ascertain what relation the second year of the new law bears to the first, than to know the relation which the two jointly bear to the period which preceded the alteration. And particularly we must observe that the presumptions in favour of the change are strengthened, if the second year shall be found to bear a favourable comparison with the first, on account of the factitious aid which, as has been explained, the first of necessity derived from the immediately preceding stagnation, pending the discussions on the measure. On every ground then it is desirable to distinguish the two years which are averaged in the Abstract now before Parliament.

I take first Class A, which contains, in general, articles the most strictly corresponding with the definition of raw materials.

Class A. Articles in a raw state to be used in Manufactures.	Number of Articles.	Mean Annual Produce of Duties in Two Years preceding the establishment of the New Tariff.	Produce of the Duties from July 5, 1842, to July 5, 1843.	Produce of the Duties from July 5, 1843, to July 5, 1844.
Schedule I., containing articles that yield, under the new law, less than 100 <i>l.</i> each of customs' duty . . }	144	£. 9,817	£. 2,488	£. 2,443
II. (100 <i>l.</i> to 500 <i>l.</i>) . .	45	36,665	10,477	12,081
III. (500 <i>l.</i> to 1000 <i>l.</i>) .	16	24,542	11,227	11,199
IV. (1,000 <i>l.</i> to 10,000 <i>l.</i>)	28	322,881	83,845	72,902
V. (10,000 <i>l.</i> to 50,000 <i>l.</i>)	6	145,187	86,537	134,131
VI. (50,000 <i>l.</i> to 100,000 <i>l.</i>)	2	148,165	141,353	173,966
VII. (upwards of 100,000 <i>l.</i>)	3	1,507,627	1,032,403	1,054,530
VIII. (Free or prohibited under the new law)}	8	196		
	252	2,195,080	1,368,330	1,461,252

Now of the 252 articles comprised in this class, I find that there have been duties reduced or removed by the law of 1842 (and in a few cases, which it is not worth while to distinguish, by subsequent acts) upon 215, viz. in

Schedule I. on	128	Schedule V. on	4
„ II.	38	„ VI.	1
„ III.	13	„ VII.	1
„ IV.	25	„ VIII.	5

Total . . . 215

The entire receipt from these 252 articles was as follows:—

Mean of two years before the new law	£2,195,080
First year of the new law	1,368,330

Showing a loss of £826,750

But again:—

Mean of two years before the new law	£2,195,080
Second year of the new law	1,461,252

Showing a loss of £733,828

Gain of the second year on the first . . £92,922

This, I think, should be deemed not unsatisfactory as an advance, in proportion to the time, towards the recovery of the revenue.

Let us now proceed to Class B.

Class B. Articles partially Manufactured.	Number of Articles.	Mean Annual Produce of Duties in Two Years preceding the establishment of the New Tariff.	Produce of Duties from July 5, 1842, to July 5, 1843.	Produce of Duties from July 5, 1843, to July 5, 1844.
Schedule I.	54	£. 887	£. 673	£. 637
II.	19	6,536	4,254	5,832
III.	5	6,712	4,000	3,143
IV.	11	40,835	21,516	44,113
V.	5	179,357	93,231	98,039
VI.	..	..	..	..
VII.	1	816,902	397,470	630,069
VIII.	..	..	..	..
	95	1,051,229	521,144	781,833

Of the 95 articles comprised in this Class, there have been reduced 89; viz. in

Schedule I. . . .	50	Schedule V. . . .	5
„ II. . . .	17	„ VI. . . .	0
„ III. . . .	5	„ VII. . . .	1
„ IV. . . .	11	„ VIII. . . .	0
		Total . . .	89

The entire receipt from this class was as follows:—

Mean of two years before the 5 and 6 Vict. c. 47 . . .	£1,051,229
First year after the Act	521,144

Showing a loss of £530,085

But again—

Mean of two years before the Act	£1,051,229
Second year after the Act	781,833

Showing a loss of £269,396

And a gain of the second year on the first year,

Amounting to £260,689

which is an advance much beyond the measure of all ordinary expectation.

The articles in the analogous class E are of less moment: but the exhibition of them is necessary to complete this part of the subject.

Class E. Articles not properly belonging to any of the foregoing heads.	Number of Articles.	Mean Annual Produce of Duties in Two Years preceding the establishment of the New Tariff.	Produce of the Duties from July 5, 1842, to July 5, 1843.	Produce of the Duties from July 5, 1843, to July 5, 1844.
		£.	£.	£.
Schedule I.	91	3,950	1,927	1,476
II.	27	14,415	6,462	6,601
III.	6	10,972	4,310	3,690
IV.	15	49,432	33,593	36,833
V.	2	145,229	52,204	57,284
VI.	..	..	..	..
VII.	..	..	..	..
VIII.	8	..	..	..
	149	223,998	98,496	105,884

Of the 145 articles comprised in this Class, there have been reduced 121; viz. in

Schedule I.	79	Schedule V.	2
„ II.	22	„ VI.	0
„ III.	5	„ VII.	0
„ IV.	13	„ VIII.	0
		Total	121

The entire receipt has been as follows:—

Mean of two years before the Act	£223,998
First year after the Act	98,496
Showing a loss of	£125,502

Again—

Mean of two years before the Act	£223,998
Second year under the Act	105,884
Showing a loss of	£118,114

And a gain of the second year on the first—

Amounting to	£7,388
------------------------	--------

Let us now bring together these results.

Mean receipt on Class A before the Act	£2,195,080
„ on Class B „	1,051,229
„ on Class E „	223,998
	£3,470,307

Receipt of the first year after the Act—

On Class A	£1,368,330
On Class B	521,144
On Class E	98,496
	£1,987,970

Receipt of the second year after the Act—

On Class A	£1,461,252
On Class B	781,833
On Class E	105,884
	£2,348,969

Loss on the three Classes for the first year	£1,482,337
„ for the second	1,121,338

Gain on the second as compared with the first	£360,999
---	----------

There are, however, some corrections which it is necessary to make in these figures.

1. The mean receipt of the two years before the Act of 5 and 6 Vict. should be charged with the drawback which was allowed on timber used in the mines under the provisions of the former law, amounting to about 60,000*l.* *per annum.*

2. The year from July 1843 to July 1844, should be credited with not less than 20,000*l.* on account of the abstraction of the duty on wool, which, under a new Act of the Legislature, actually took effect before it had expired, and had been announced, and must therefore have operated on deliveries from a considerably earlier period.

By these changes we reduce

The loss on the first year to	£1,422,337
The loss on the second year to	1,061,338

And the recovery of revenue

On the second year as compared with the first rises	
to	£380,999

It appears to me that this general comparison of the second year with the first, under the new law, as to materials, is eminently satisfactory, and must encourage those who take a sanguine view of the energies of our productive industry.

The picture is less flattering when we compare the first year under the new law with the mean product of the two years of the old law. The reductions of 1842 on raw materials amounted, as has been already stated, to £1,135,000

But the ensuing defalcation of revenue on that description of commodities amounted to	1,422,337
Showing an excess of loss above the estimate of	307,337

It will, however, be recollected that the twelve months from July 1842 to July 1843, were a period of extraordinary depression and distress to the trade of the country. The last six of them, or perhaps rather the last three, exhibited marks of par-

tial revival, which were aided both by the changes of the law and the reduced cost of subsistence. Still for the greater part of the time business had been contracted, and enterprise languid, in a degree quite sufficient to account for the excess of loss which has just been noted. In the second year this excess was retrieved, and the process of recovery had commenced, for whereas the reductions amounted to £1,135,000

The loss in the second year was 1,061 000

Or, as 20,000*l.* may be set down to the account

of the further measure regarding wool in 1844,

the real loss in the second year was 1,041,000

Up to this point, I have adverted only to that portion of the operation of 1842, which regarded materials intended for employment in our domestic industry. Even this involved, indeed, many points of conflict with protected interests: such as those relating to copper ore and other ores and metals, to hides and leather, to seeds, and to timber. Still its main bearing was in most particulars on the revenue of the country.

The other division of the remissions, which included only 317,000*l.* of revenue, involved in almost every case a diminution of protective duty. Before the Act of 1842, the general character of our Tariff with regard to manufactures, and in a great degree with regard to food, was prohibitory. But it may be said with truth, that from the moment when the provisions of that Act had taken effect, moderate duties of twenty per cent. and less were the rule of the Tariff of the United Kingdom, and high or prohibitory rates the exception.

This was indeed the most prominent and essential characteristic of the measure, so far as it affected the classes now under consideration. Out of 196 articles contained in Class C, 181 underwent reduction: yet I do not find that the remission of duties actually levied upon goods in it under the former law, could be estimated at more than 35,000*l.*, or at the most 40,000*l.*

Class C. Articles wholly Manufactured.	Number of Articles.	Mean Annual Produce of Duties in Two Years preceding the establishment of the New Tariff.	Produce of the Duties from July 5, 1842, to July 5, 1843.	Produce of the Duties from July 5, 1843, to July 5, 1844.
Schedule I.	113	£. 3,393	£. 2,171	£. 1,842
II.	31	10,208	7,248	7,992
III.	17	23,260	13,329	12,731
IV.	27	85,767	86,284	99,063
V.	5	117,049	105,148	123,020
VI.	..	..	..	..
VII.	1	239,893	223,457	268,766
VIII.	2	..	..	..
	196	479,570	437,637	513,414

The articles in Class C on which duty was reduced were, in

Schedule I. . . 108	Schedule V. . . 4
„ II. . . 29	„ VI. . . 0
„ III. . . 16	„ VII. . . 1
„ IV. . . 23	„ VIII. . . 0
	Total . . 181

Here we find the

Mean produce before the Act	£479,570
First year under the Act	437,637
Loss	£41,933

But for the second year the account stands as follows:—

Mean produce before the Act	£479,570
Second year under the Act	513,414
Increase	£33,844
Gain upon the second year as compared with the first	£75,777

But this result again requires correction. More than half of the revenue under Class C arises from silk goods, which, with their various divisions, stand under a single heading in the Tariff. They were not, however, altered by the law of 1842, except with regard to the silks of the East Indies. Let us therefore deduct from all these years the revenue on silks other than those of India; and the figures will stand as follows:—

Mean produce of two years before the Act	. . . . .	£252,351
First year under the Act	. . . . .	217,091

Loss £35,260

And again—

Mean produce of two years before the Act	. . . . .	£252,351
Second year under the Act	. . . . .	248,855

Loss £3,496

Gain upon the second year as compared with the first £31,764

Thus then it appears that, within the second year from the passing of the Act, the remissions of duty on manufactured goods were as nearly as possible replaced by the increased importations of them: a result worthy of remark in itself, but yet, as I think, less remarkable than another inference which arises from the inspection of this part of the Statement, and which I shall notice in another portion of these remarks.

We now come to Class D, containing articles of food, upon which the great mass of our customs' revenue has for a long time been levied. Seven-eighths of the whole receipt stand, as will be seen, to the account of this Class.

Class D. Articles of Food.	Number of Articles.	Mean Annual Produce of Duties in Two Years preceding the establishment of the New Tariff.	Produce of the Duties from July 5, 1842, to July 5, 1843.	Produce of the Duties from July 5, 1843, to July 5, 1844.
Schedule I.	46	£. 990	£. 1,241	£. 1,074
II.	15	4,148	3,351	4,625
III.	6	3,546	4,311	4,577
IV.	28	71,803	80,451	76,388
V.	7	120,169	131,127	142,120
VI.	3	240,841	221,395	254,494
Totals of Schedules I.—VI. }	..	441,497	442,176	483,278
Sched. VII.	12	18,246,120	19,161,312	20,066,920
VIII.	4	..	..	..
	121	18,687,617	19,603,488	20,550,198

Of the 121 articles comprised in this Class, prohibitions were removed, or duties lowered, on 66, as follows :—

Schedule I. . . .	30	Schedule V. . . .	5
„ II. . . .	9	„ VI. . . .	0
„ III. . . .	5	„ VII. . . .	2
„ IV. . . .	15	„ VIII. . . .	0
		Total	<u>66</u>

On this class we find the

Mean produce before the Act	£18,687,617
First year under the Act	19,603,488
Increase	<u>£915,871</u>

And again—

Mean produce before the Act	£18,687,617
Second year under the Act	20,550,198
Increase	<u>1,862,581</u>
Gain on the second year as compared with the first	£946,710

These figures, however, may much more justly be taken as an index of the general prosperity of the country, than of the working of the Customs' Act of 1842. I have already named four great articles* upon which no reduction has taken place up to the present time, yielding twelve millions of money, besides others not inconsiderable : nor was there any change in the law relating to sugar, which yields five millions more, until the year 1844 : nor has there been yet time for the change then made to produce any appreciable effects upon the revenue, as the supplies of the foreign article are only beginning to arrive. About seventeen millions, therefore, of the whole amount of duties have been practically unaffected by alterations in the law. It may indeed be true, that those alterations have tended powerfully, by their general effects upon trade, and therefore on consumption, to increase the receipts of the treasury from these great articles, and may thus claim the credit of a part of the excess which has been shown. But we may carry the investigation of the effects of the Act to a greater degree of precision by ejecting from the account

* *Supra*, p. 8.

all the great articles in Schedule VII., upon which either no change has been made, or no change of which the effects are perceptible within the period embraced by the 'Expository Statement.' Now coffee is the only article comprised in Schedule VII. of Class D, on which the duty was materially altered by the Act 5 and 6 Vict. c. 47. The duties on foreign corn had, however, already been regulated by a previous Act of the same year, and may therefore be taken into account. The total amount of the duties on these two articles was as follows:—

Their mean produce in two years before the Act	£1,475,027
First year under the Act	2,053,748
Second year under the Act	1,710,132

It is difficult to carry the examination of these items farther; because as to corn no safe inference can be drawn from a single year, though the experience of the last three years, which have elapsed since the present Act commenced, may be thought to demonstrate that it at least effected a very beneficial change as regarded the revenue: while, as to coffee, the result is obscured by a farther change in the duty which took effect before the second year had expired; and I propose therefore to examine that case more minutely by itself.

But if further we remove Schedule VI., in which no alteration of any moment was made in 1842, from the comparison, so as to confine our view yet more closely to results brought about by the immediate operation of the change in the law, it stands as follows:—

Mean produce of two years before the Act	£200,656
First year under the Act	220,781
	<hr/>
Increase	£20,125

And again—

Mean produce of two years before the Act	£200,656
Second year under the Act	228,784
	<hr/>
Increase	£28,128
Gain upon the second year as compared with the first	£8,003

Again, if we combine Classes C and D, both of which may be said to contain articles of consumption as contradistinguished from raw materials, we have the following results:—

Mean produce of Class C and of Class D, with exceptions as above specified, before the Act	.	£453,007
Joint produce of first year under the Act	.	437,872
		<hr/>
Loss	.	£15,135

And further—

Mean produce as before	.	£453,007
Joint produce of second year under the Act	.	477,639
		<hr/>
Gain	.	£24,632
Gain on the second year as compared with the first		£39,767

Now the revenue remitted on these several descriptions of articles amounted to about 90,000*l.* a-year in round numbers; of which the whole was replaced in the first year, except 15,135*l.*, and was replaced in the second year with an addition of 24,632*l.*

The fiscal scale of this part of the operation was, it is true, contracted, but it was of great importance, and of great difficulty, in other points of view; and the result thus shown affords, as respects the treasury at least, an ample vindication of the wisdom of Parliament in the adoption of this part of the measure.

To conclude this portion of the subject, let us combine the two divisions in which we have thus far been considering it: but in order that the view given of the reductions effected by the new Tariff of 1842 upon imports, may be a complete one, I must include (though with some undue advantage to the first year and prejudice to the second) the receipts from coffee.

The reductions, with the exception of 100,000*l.* on exports, were—

On materials	.	£1,135,000
On articles of consumption (Classes C, D, corrected as above)	.	317,000
		<hr/>
Total of reductions	.	£1,452,000

The effect upon the revenue is shown in the following figures:—

I. Receipts of the first year.

1. Mean of two years before the 5 and 6 Vict. c. 47.

Class A	£2,195,080	
Deduct for timber drawback .	60,000	
	<hr/>	
	£2,135,080	
Class B	1,051,229	
Class E	223,998	
	<hr/>	
	£3,410,307	
Class C	252,351	
Class D, including coffee .	1,003,972	
	<hr/>	
Total		£4,666,630

2. First year under the Act :

Class A	£1,368,330	
Class B	521,144	
Class E	98,496	
	<hr/>	
	£1,987,970	
Class C	217,091	
Class D, including coffee .	1,002,503	
	<hr/>	
Total		£3,207,564

Actual loss for the first year on all the Classes
together £1,459,066

Estimated amount of reductions as above 1,452,000

Thus the total loss on the five Classes ex-
ceeded the estimate by the sum of about £7,066

II. Receipts of the second year.

1. Mean revenue of two years before the 5
and 6 Vict. c. 47, as above £4,666,630

2. Second year under the
Act, Class A £1,461,252

Add on account of loss from
the repeal of the Wool

Duties in 1844 20,000

Total £1,481,252

Brought forward . . .	£1,481,252	£4,666,630
Class B	781,833	
Class E	105,884	
	<hr/>	
	£2,368,969	
Class C	248,855	
Class D, without		
coffee	£228,784	} 915,462
Coffee	686,678	
	<hr/>	£3,533,286

Actual loss on the second year	£1,133,344
Gain on the second year as compared with the first, on all the Schedules affected by the re- ductions of 1842, and on coffee	£325,722

From this view of the tables, first in the several classes into which they are divided, and secondly as a whole, I now pass to consider the general outline of the Act of 1842, and to estimate rudely its effect upon the import trade of the country.

The Act of that year was not merely an Act involving a considerable remission of duties: it was the first attempt to apply general rules to the construction of the tariff of the United Kingdom, and was also the most comprehensive modification of the restrictive system which had ever been accomplished.

Mr. Pitt, in 1787, found our customs' law a mass of intricacy and confusion. He stated to Parliament the object of his great reform. 'The mode in which he proposed to remedy this great abuse was by abolishing all the duties which now subsisted in this confused and complex manner, and to substitute in their stead one single duty on each article, amounting, as nearly as possible, to the aggregate of all the various subsidies already paid.* Also 'in some few articles,' for example timber, he meant to introduce 'regulations of much greater extent;' but such was the *general* scope of his arrangement.

During the war, and during the first years of peace, many augmentations of duty took place: some for purposes of revenue,

* Parliamentary History, xxvi., 629.

but with the effect of enhancing the stringency of protection ; some for protective purposes alone.

The tariff underwent a general revision in 1819 by the Act 59 Geo. III. c. 52 ; and again, under the government of Lord Grey (which had failed in 1831 to carry a plan for the reduction of the timber duties), a large number of minor duties were reduced in the years 1832 and 1833 ; but it was in the interval between these two periods that the most important relaxations of the prohibitory and protective system were introduced into the law, first by Mr. Wallace, and afterwards and principally by Mr. Huskisson. Still it continued to contain some prohibitions, and a very great number of prohibitory rates of duty ; and no approximation to unity of principle was discernible in its structure as a whole.

In 1842 it was attempted to make a general approach to the following rules :—

1. The removal of prohibitions.
2. The reduction of duties on manufactured articles, and of protective duties generally, to an average of 20 per cent. *ad valorem*.
3. On partially manufactured articles to rates not exceeding 10 per cent.
4. On raw materials to rates not exceeding 5 per cent.

The duties were then reduced on about 660 articles. Many changes were made which were of great importance to the consumer or to some branch of trade, but which cost little to the revenue, or were even, in some cases, positively profitable. I allude particularly to the changes affecting cattle, salt meat, seeds, oils, manures, leather, and ores, as belonging to these two classes.

It is very difficult to form any general estimate of the effect of the measure of 1842 upon the import trade of the country, which shall even approach to precision. Still I think a rude view of this important subject may be presented by means of the tables of official valuations, which reduce the quantities of articles im-

ported to a common measure. We have these valuations printed for the years 1841, 1842, 1843.* I reject 1842, which was almost equally divided between the old law and the new; and I take 1841 as the latest full year of the old law, and 1843 as the first full year of the new one.

The official values of imports into the United Kingdom were—

For the year 1841	£64,377,962
„ 1843	70,093,353
	<hr/>
Increase	£5,715,391

But there are two articles of importance which it may be better to exclude from this comparison—cotton and corn—inasmuch as the quantities of them which we receive in one year as compared with another depend much more upon the respective crops of those products in America and England than upon any increased facilities in the means of exchange. The official values imported in 1841 were—

Of cotton	£15,948,384
Of corn	5,238,389
	<hr/>
	£21,186,773

And in 1843—

Of cotton	£22,282,365
Of corn	2,048,768
	<hr/>
	£24,331,133

Deducting these amounts from the respective totals, we have the official values of imports—

For the year 1841	£43,191,139
„ 1843	45,762,220
	<hr/>
Increase	£2,571,081

* Finance Accounts, Paper No. 147, of 1844, pp. 131-36.

This is a rude, but I do not think by any means an excessive, statement of the increase of general trade which had been realized in 1843, and of which a considerable part may be considered due to the alterations of the law. It is likely that the returns for 1844 may bear a stronger testimony to its influence.

I will now proceed to examine the two most conspicuous among all the reductions of duty on particular articles which were enacted in 1842, namely, the cases of timber and coffee; and first, that of timber.

This is a most important subject: and the error of the government and of parliament, which adopted, without division, the most essential parts of the proposal, was, if an error at all, a very great one.

It is a subject to try the faith of political economists. Some of them there are, who have shrunk from the sacrifice of a great amount of revenue, which they think might have been spared: and have consistently denounced the plan of 1842 as a waste of public money, while they have been friendly to its principle so far as it involved diminution of the differential duty between colonial and foreign wood.

Upon the other hand, there is much to urge, besides the claim of the colony of Canada, as a colony then recently recovered from two rebellions, and the claim of the subsisting interests in the trade to be as gently handled as a regard to public objects would allow.

First, it is very doubtful whether the revenue, such as it stood in the years immediately preceding 1842, could have been entirely preserved. I do not advert now to the distress of the particular period; but to the permanent operation of the old scale of duties. The premium on colonial timber was so enormous, that it was gradually tending to reduce the proportion of Baltic wood brought into the market. And likewise the article of iron was displacing wood in various important branches of its consumption,

Secondly, it must never be forgotten that the scale of duties upon timber was *doubly* differential. The duty of 55s. per load was, so far as regarded 45s. of its amount, a differential duty against foreign and in favour of colonial wood. But the whole duty both of 55s. on foreign and of 10s. on colonial wood, was a

differential impost in favour of British-grown wood and against the growths both of our colonies and of foreign countries.

In the year 1841, the then existing administration proposed to reduce the foreign duty by an almost insensible amount, namely, from 55s. to 50s. ; and to raise the colonial duty from 10s. to 20s. This plan would have reduced the protection of the colonist against the foreigner from 45s. per load to 30s. per load ; but also it would have increased that of the home-grower of wood against the colonist by 10s. per load, and would have reduced it against the foreigner by only 5s. per load. It would have borne hardly upon the intermediate party, the colonist, who was thus smitten on both sides : it would have added, I believe, nothing whatever at the moment, and subsequently very little, to the revenue : 5s. per load would have been the maximum of possible relief to the consumer. Further, with this plan it would scarcely have been possible either to have abolished the drawback allowed to the Cornish miners, which appears to have cost the country 60,000*l.* per annum, or to have introduced the measurement of sawn wood according to cubic contents, which really means taking wood according to the dimensions to which Providence ordains that it shall grow, instead of regulating those dimensions by the schedules of a Customs' Act.

The plan actually adopted, on the other hand, which imposed a duty of 1s. per load on colonial and 25s. per load on foreign timber, involved a loss of 600,000*l.* per annum : and although it was in one view much more favourable to the colonist, since it placed him nearly upon an equality with the British grower of timber in our ports, yet as against the foreigner it left him only a protection of 24s. instead of 30s. The British grower, again, who, in the case of an article so essential and of such heavy cost of transport will find in general briskness of trade by much his most effective safeguard, lost 30s. per load of his defence against foreign wood and nearly the whole of his preference over his colonial fellow-subjects. But the gain to the consumer, which, if there be truth in political economy, could not exceed 5s. per load under the plan of 1841, by the plan of 1842 might reach, and on the whole, I apprehend, has already nearly reached, 30s. per load.

There was one argument for a large revenue from timber, the argument of possession. It was no mere speculation: we had it in hard money, a million and a half annually. But I know no other apology for such a mode of taxation under ordinary circumstances. It may be by one degree less impolitic than the imposition of a heavy duty without drawback upon the raw material of some manufacture which we export largely: but I know no argument that can be offered in its defence, which would not vindicate *à fortiori* such taxes as a heavy duty of excise upon coals, upon iron, or upon manures. If there be but one of the mazy paths of fiscal legislation which we may tread fearlessly and firmly, surely it is that in which we reduce the burdens upon such raw materials of industry as are of great bulk in proportion to their value, and as stand in the first order of necessity.

Passing, however, from the general discussion, I have now to inquire into the operation of the measure. As regards the dealings in the article, with the exception of some local inconveniences, which, as might be expected, accompanied the great alteration that was made in the mode of charging the duty, I gather from the reports of eminent houses in the trade, and from the figures indicating the consumption, that it has been eminently satisfactory. As regards revenue, I shall endeavour to show that we have reason to be well contented with its effects.

Sir Robert Peel, in his financial statement for the year 1842, estimated his first year's loss at 600,000*l.*: and the second year's at 590,000*l.*

I subjoin a statement of the gross and net quarterly revenue from timber during three years before the new system took effect, and also during two years after it.

(I).—An Account of the RECEIPTS from TIMBER in each Quarter of Three Years antecedent to 10th October, 1842: also, REPAYMENTS for Drawbacks, and NET RECEIPT remaining in each of those Quarters.

(II).—A similar Account for each Quarter from 10th October, 1842, to 10th October, 1844.

QUARTERS ended		Duties on Wood and Timber in the United Kingdom.		
		Gross Receipt.	Drawbacks and Repayments.	Net Produce.
		£.	£.	£.
I.—	5th January, 1840	382,542	33,258	349,284
	5th April, „	263,681	12,046	251,635
	5th July, „	416,269	29,806	386,463
	10th October, „	733,344	6,204	727,140
		1,795,836	81,314	1,714,522
	5th January, 1841	401,295	32,226	369,069
	5th April, „	259,782	10,812	248,970
	5th July, „	349,796	31,603	318,193
	10th October, „	652,015	5,972	646,043
		1,662,888	80,613	1,582,275
	5th January, 1842	327,865	35,753	292,112
	5th April, „	213,621	6,479	207,142
	5th July, „	211,453	35,370	176,083
	10th October „	380,237	2,692	377,545
		1,133,176	80,294	1,052,882
II.—	5th January, 1843	228,012	29,433	198,579
	5th April, „	121,088	18,086	103,002
	5th July, „	160,942	22,006	138,936
	10th October, „	162,539	4,243	158,296
		672,581	73,768	598,813
	5th January, 1844	285,182	16,654	268,528
	5th April, „	147,750	3,230	144,520
	5th July, „	210,748	5,490	205,258
	10th October „	345,954	2,233	343,721
		989,634	27,607	962,027

Now it will be necessary to make several qualifications of this statement before we can draw a just comparison between the periods to which it refers.

1. The drawback of about 60,000*l.* a-year, on timber used in the mines of Cornwall, was a regular attendant of the old law, and forms a legitimate deduction from the gross receipt. But the sums charged on this account in the years 1843 and 1844 were liabilities incurred in the preceding years which stood over, and ought not to be charged to the debit of the new system. I shall, therefore, make a corresponding deduction from the sum of 73,768*l.*, charged for drawbacks and repayments in 1842-3, and I shall withdraw (by conjecture) for the same reason half of the 27,607*l.*, which appears for 1843-4.

It will be seen that in the table the total amount of repayments before the change in the law exceeds 80,000*l.* annually, but rather more than a fourth of this amount was disbursed on wood other than that used in the mines.

2. The diminution of half a million in the last year of the first term is owing, without doubt, in some degree to that stagnation of the trade which prevailed to a great extent from the middle of March, 1842, when the new duties were announced, to the 10th of October, when they took effect. But there is, it will be observed, a decrease on the receipt of the first quarter amounting to 77,000*l.* as compared with the corresponding quarter of the foregoing year: it having fallen from 369,000*l.* to 292,000*l.*, and this before any change in the law could well have been anticipated. Hence it is clear, that a great diminution in this branch of the revenue must have taken place if the law had continued as it was: and indeed the fact is otherwise notorious, that the timber-market was thoroughly glutted, and the demand extremely feeble at the time. Still, as it is not easy to assign to each of these concurrent causes their due share in producing the effect, I propose to leave out the year 1841-2 altogether, and to adopt another mode of ascertaining what allowance ought to be made for the stagnation of all building enterprise, in estimating the consequences of the alteration of the law.

3. With this view I have procured a statement of the produce

of the brick-duty in the years 1840-4, and I propose to take the decline of it in the years 1843 and 1844 as compared with 1840 and 1841, as a criterion of the decline which would have occurred in the timber-duty if the law had remained without change. I think there is every reason to suppose it would even have been greater. The periods do not precisely correspond, as the years of the timber account begin on the 10th of October, and the years of the brick account on the 5th of January: but this is to the disadvantage of my argument, as the period taken for bricks being by nearly three months later represents a more advanced stage of that commercial recovery which was in progress during the years 1843 and 1844:—

The receipt from bricks in 1840 was	. . .	£524,000
" " in 1841	. . .	449,000
Mean of the two	. . .	486,000
The receipt from bricks in 1843 was	. . .	363,000
" " in 1844	. . .	447,000
Mean of the two	. . .	405,000
The net receipt from timber in 1840, or rather from		
October 10, 1839, to October 10, 1840, was	. . .	1,714,000
In the year October 10, 1840, to October 10, 1841	. . .	1,582,000
Mean of the two	. . .	1,648,000

We have, therefore, the following proportion:—

$$£486,000 : £405,000 :: £1,648,000 : x,$$

x being the probable annual receipt from the timber-duty between October 10, 1842, and October 10, 1844, under the old law. On working this sum, we find

$$x = £1,373,000.$$

Which I therefore assume as the standard of comparison to try the new law:—

Probable annual receipt from timber under the old scale		
of duties from October 10, 1842, to October 10,		
1844	. . . . .	£1,373,000
Actual receipt, first year, gross	. . .	£672,581
Deduct for repayments	. . . . .	13,768
Net receipt	. . . . .	658,813
Loss	. . . . .	£714,187

Again :

Probable receipt from the old duties, as before . . .	£1,373,000
Actual receipt, second year, gross . . .	£989,634
Deduct for repayments	13,803
	<hr/>
Net receipt	975,831
	<hr/>
Loss	£397,169
Gain upon the second year as compared with the first	317,018

Thus the loss upon the first year was greater by 114,000*l.* than Sir Robert Peel's estimate : but such was the progress of recovery that in the second year it was less than his estimate (of 590,000*l.*) by no less than 193,000*l.* : and the mean loss of the two years, ascribable, with any presumption of justice, to the change in the law, was 555,500*l.*, less by about 40,000*l.* per annum than the allowance he had made.

Some persons may be surprised at the very great difference between the first year and the second : but it may, I think, readily be accounted for by the fact that a second reduction of 5*s.* per load on timber and 6*s.* per load on deals took effect at the commencement of the second year, and that a considerable quantity of goods, held back for the benefit of this reduction, go to the account of the second year, whereas in the natural course of things they would have belonged to the first.

When, however, it is remembered, how peculiar was the course of the timber-trade and the mode of preparing deals for the British market under the former law, that we have only two years of the new system before us, and that timber does not come here until the year after it is cut, I think it is evident that another twelvemonth at least must elapse before we can fully appreciate the benefits of the alteration which has been made.

As, however, it was confidently predicted by many persons that the consumer would not obtain the benefit of the great reduction of the duties on foreign timber, I have referred to trustworthy sources of information, and have obtained the following results:—

Price of Dantzic or Memel timber in the London market per load, duty paid :—

January, 1842	£5 12 6
January, 1845, 4 <i>l.</i> 7 <i>s.</i> 6 <i>d.</i> to 4 <i>l.</i> 10 <i>s.</i>	Mean £4 8 9

Reduction to the consumer in 1845 £1 3 9

Again :

Dantzic fir, common and middling, sold in Liverpool,*

In January, 1841, for 26½ <i>d.</i> to 27 <i>d.</i>	Mean 26¾ <i>d.</i> per foot.
„ 1842 „ 24½ <i>d.</i> to 25½ <i>d.</i>	Mean 25 <i>d.</i> „
„ 1845 „ 19½ <i>d.</i> to 21 <i>d.</i>	Mean 20¼ <i>d.</i> „

Showing a reduction in 1845,

As compared with 1841, of 6½*d.* per foot, or 27*s.* 1*d.* per load.

„ „ 1842, of 4¾*d.* „ 19*s.* 10*d.* „

Which latter, however, was a period of very great depression in the wood trade, and not such as to exhibit with any fairness the ordinary state of the market.

I take next the article of coffee, the second in importance of those on which material reductions were made in the year 1842.

The duty was lowered on British coffee from 6*d.* to 4*d.* per lb., and on foreign from a rate nominally of 15*d.*, and really of 9*d.* (with an addition of extra charges making it perhaps equal to a burden of 10*d.*), to 8*d.* per lb. The first loss was calculated at 226,000*l.*; but it was hoped that so much of this would be made up by increased consumption as to leave an actual defalcation of only 170,000*l.*

Now, on turning to the ‘Expository Statement,’† we find that the produce of the duties on coffee was as follows :—

Mean of two years before the Act 5 and 6 Vict. c. 47	£803,316
First year under the Act	781,722
Loss	£21,594

Much coffee, however, was held back during the four months of discussions on the new table of duties, and swelled beyond its just proportions the receipt for the first year.

Again, the receipt of the second year under the Act was interrupted by the further change of the duty on foreign coffee from

* See Circular of Messrs. James Houghton and Co., brokers, for Feb. 1845.

† P. 158.

6*d.* to 4*d.* per lb. in 1844. We may however estimate, with tolerable accuracy, the effect of this latter reduction by reference to the receipts for the year 1844, as compared with the year 1843, which are given in the tables on trade and navigation, presented to Parliament on February 12, 1845.*

The revenue from coffee for 1843 was	.	.	£697,983
The revenue for 1844 was	.	.	682,218
			<hr/>
Less in 1844 by	.	.	£15,765

But the Chancellor of the Exchequer, in his financial statement for 1844, had estimated his loss at 50,000*l.*; and the immediate remission of 2*d.* per lb. on 9,854,000 lbs., the quantity of foreign coffee consumed in 1843, amounted to 82,200*l.*

In this case much must be allowed for the advancing prosperity of the nation, and something for the gradually growing use of coffee as compared with other commodities; but enough will surely remain to warrant the assertion that the reductions upon coffee have been, up to the present time, eminently successful in their effects with regard to the revenue and also, if progressive extension of demand may be taken as a criterion, to the consumer.

I shall next extract from the 'Expository Statement' the most important, after timber, of those raw materials and accessories of industry on which remissions of duty were then granted. These I consider, speaking generally, to be the following articles:—

- | | |
|----------------|--------------------------|
| 1. Hides. | 7. Rosewood. |
| 2. Turpentine. | 8. Lard. |
| 3. Palm-oil. | 9. Copper-ore. |
| 4. Olive-oil. | 10. Train and sperm oil. |
| 5. Bark. | 11. Iron. |
| 6. Mahogany. | |

But of these I shall not include copper-ore, because, although the trade has increased since the Act of 1842, the allegation of those interested in it is, that the burden of duty then imposed as the condition of being allowed to smelt in this country much more than counterbalanced any advantage attending an admission to the home-market.† Nor lard, nor train and sperm oil, because

* Paper No. 18, Sess. 1845.

† Before the law of 1812 the duty on copper-ore was prohibitory, but parties were allowed to smelt in bond for export. By that law the prohibitory duty was very greatly reduced, but the privilege of smelting in bond was withdrawn.

those cases are complicated by the direct competition of the foreign and British article, and should rather be considered in connexion with another branch of the subject. Nor iron, because the demand for foreign iron has, I apprehend, suffered more by improved modes of preparation for British iron than it could gain by a diminution of the customs' duty. After withdrawing these, there remain seven articles which will afford considerable information with regard to the working of the altered law.

The deliveries for consumption, however, of the first year were so much enlarged in most of these cases by the great inducement to hold back for the reduction of duty, which operated during the discussions of 1842, that I shall notice only the second year's returns, as a fairer standard of comparison.

Articles.	Estimated First Loss by the Reduction of Duty.	Mean Entries for Consumption in 1838 and 1840.	Entries for Consumption, July 1843—44.	Mean Revenue of 1838 and 1840.	Revenue, July 13, 1843—44.
	£.			£.	£.
1. Hides . .	45,000	349,903 cwt.	551,550 cwt.	48,976	8,029
2. Turpentine .	80,500	365,621 "	509,410 "	82,056	2,237
3. Palm-oil .	11,000	293,936 "	393,491 "	18,817	10,394
4. Olive-oil .	24,000	7,960 tuns	9,591 tuns	42,897	20,940
5. Bark . .	13,000	625,612 cwt.	894,783 cwt.	20,874	11,983
6. Mahogany .	42,000	22,957 tons	22,885 tons	52,494	11,345
7. Rosewood .	8,500	1,671 "	2,864 "	10,190	2,926

In the next table I bring out the results upon trade in a more definite shape :—

Articles.	Actual Loss of Revenue on each Article.	Quantities added to the Trade.	Assumed Value of the Unit.	Value added to the Trade.
	£.			£.
1. Hides . . .	36,971	201,647 cwt.	45s. over all	453,706
2. Turpentine .	79,819	133,789 "	8s. , ,	53,510
3. Palm-oil . .	8,423	99,455 "	25s. , ,	123,774
4. Olive-oil . .	21,957	1,631 tuns	60l. , ,	97,860
5. Bark . . .	8,891	269,171 cwt.	7s. , ,	94,210
6. Mahogany .	41,148	— 72 tons	10l. , ,	— 720
7. Rosewood .	7,264	1,198 "	10l. , ,	11,980
Total . .	201,473	..	..	834,720

Thus we find, with a sacrifice of 204,000*l.* in duties on raw materials, an extension of trade in them to the extent of 834,000*l.* I should describe this as a satisfactory and sufficient rather than as a very remarkable result.

It would be easy to present others which are, in a financial view, much more striking: in cases where duties nearly prohibitory, or other impolitic arrangements, were amended.

For instance, the mean produce of the duties on foreign sperm-oil, train-oil, and whale-fins, in 1838 and 1840, was 10,463*l.*, the duties then being 26*l.* 12*s.* per tun on the two former, and 4*l.* 15*s.* per cwt. on the latter. Indeed it was only the prevalence of enormous prices at home that caused the entry of the sperm-oil which yielded almost the whole of this small revenue.

But on the 5th of July, 1843, the duties were reduced, under the provisions of the Act of 1842, as follows:—On sperm-oil, from 26*l.* 12*s.* to 15*l.*; on train-oil, from 26*l.* 15*s.* to 6*l.*; and on whale-fins, from 4*l.* 15*s.* per cwt. to 20 per cent. *ad valorem*—a rate probably equal to about 20*s.* per cwt., or little more. The revenue yielded in the year from that day to July 5, 1844, was—

On sperm-oil	.	.	.	£44,272
On train-oil	.	.	.	6,663
On whale-fins	.	.	.	6,530
				<hr/>
Total	.	.	.	£57,465

So that a gain of nearly 50,000*l.* for one year followed upon this reduction. I may add that, owing to increased demand, there was a simultaneous improvement in the prices of sperm oil as compared with their previous range.

Again, copper-ore, which yielded no revenue under the former law, produced about 47,000*l.* in the first year after the Act of 1842, and nearly 70,000*l.* in the second, with no contraction, but, on the contrary, with an expansion of the smelting operations of the country.

Again, lard, at a duty of 8*s.* per cwt., yielded in 1840 the sum of 30*l.* In the first year of the new law, at 2*s.* per cwt., it was entered to such an extent as to produce 4946*l.*, and in the second year 7980*l.*

In the year 1840, thrown silk yielded a revenue of only 725*l.*,

the chief part of the importation paying a duty of 3s. 6d. per lb. A drawback was allowed which absorbed nearly the whole receipt—and, indeed, in 1838, there was an excess of repayment over revenue to the extent of 5398*l*. In the first year of the new law the debentures due under the old one again absorbed the whole revenue; but in the second year the balance of net receipts amounted to 16,420*l*.

I will give two other instances, in which duties were reduced for the purpose of driving the smuggler, if possible, out of the market.

Under the former law watches were charged at 25 per cent. *ad valorem*: the value entered in 1840 was 5084*l*., and the duty paid was 1387*l*. In 1842 the duty was reduced to 10 per cent.: the value entered rose to 52,622*l*., and the duty paid to 5391*l*.

The duty on thread lace was reduced in 1842 from 30 per cent to 12½ per cent. on the value, with the active concurrence (a rare example) of the parties engaged in carrying on the trade at home. The entry under the head Thread Lace in the ‘Statement’ shows an increase only of about one-fourth in the quantities entered under the new law; but another heading had been introduced for all lace made by the hand, including thread lace, under which a large and apparently increasing quantity has been entered:* so that in this instance, also, we may hope that the province of the smuggler has at least been greatly narrowed.

I have still one portion of the ‘Statement’ to subject to further

* I believe that the annexed figures will represent pretty accurately the effect of the alteration in the duty upon thread lace.

<i>Duty received on Thread Lace.</i>					
1838	.	.	.	£1,392 12 0	Rate of duty 30 per Cent.
1839	.	.	.	2,403 8 6	,,
1840	.	.	.	1,791 6 5	,,
1841	.	.	.	1,239 19 10	,,
1842	.	.	.	1,001 17 4	,,
2,515 8 7					Pillow Lace.
<hr/>					
£3,517 5 11					Duty reduced in July, 1842,
<hr/>					to 12½ per Cent.
1843	.	.	.	953 5 2	
<hr/>					
7,611 17 7					Pillow Lace.
<hr/>					
£8,565 2 9					Duty 12½ per Cent.

examination : that of articles of consumption, by which I mean such as are comprised in classes C and D, with reference to the effects of the late reductions upon protected interests.

I have already shown how easily the revenue surrendered under these classes recovered itself, which, of course, could only be by increased importations, and it is not difficult to name many articles on which such increase has taken place : gloves, boots and shoes, damask and diaper linens, corks, toys, prints and drawings, India silks, tanned leather, and many more, in Class C ; and in Class D, animals, fish, lard, salt provisions, potatoes, onions, and some other vegetables.

IV.—But I own it appears to me impossible for any person who has been cognisant from the beginning of the discussions in and out of Parliament relating to the Act of 1842, who has noticed the fears and hopes with which in different quarters many of the new duties were regarded—and, finally, who has examined the results of the change with any care—to do otherwise than rest in the conclusion that both those hopes and fears were by many persons enormously exaggerated, and that, as a general (I by no means say an invariable) rule, British industry has much less to apprehend than was commonly, perhaps almost universally, supposed, from the effects of foreign competition in the domestic market.

This, however, is a subject too important to be discussed without careful illustration ; and, in order to afford it, I shall have occasion to refer both to debates which took place in Parliament, and likewise to representations made, and I believe most honestly made in many cases, to the Government with reference to the certainty of the most destructive consequences if they should persevere in the proposals which they had submitted to Parliament.

Some parties obtained partial concessions which, forming my judgment at this time with the aid of the experimental results, I should say, had better in almost every instance have been withheld : some kicked and plunged vigorously, but in vain ; and some made up their minds to ruin with a decent composure. Many who resisted because they thought the sacrifice demanded of them too great—and many more who thought it their duty,

under the distressed circumstances of the country, not to refuse it, however large—must have been alike surprised to discover, by subsequent experience, in how numerous cases the mountain has simply, as of old, produced the mouse.

There were, indeed, some rather sharp and stringent effects on prices caused by the legislation of 1842; and particularly I would name the case of the Irish provision trade. But these were the exceptions. As a general rule they were gentle and insensible; and in many cases where the very greatest and most boisterous alarm had existed, absolutely null. There is no worthy satisfaction in reverting simply to the circumstance that expectations which had been extensively entertained were very generally falsified. But there is a most just pleasure attaching to the discovery that the power of British skill and labour are greater than we had believed them to be; and this is the most important proposition established by the smallness of results which followed upon many very great reductions of duty.

Nearly one hundred and fifty questions were discussed between the Government and the various interests which were, or believed themselves to be, affected by the changes proposed in the law; and twenty-six divisions were taken in the House of Commons, many of which, however, were in favour of more sweeping propositions than those of the Government. But I will go to particulars.

And first I will point out that where there has been an increase large enough to be worth naming in the import of an agricultural or manufactured product, it has still been in almost every instance confined within very moderate bounds. For example, from the first class.

The duty on potatoes was reduced from 2*s.* to 2*d.* per cwt., although the Government was confidently assured by a deputation to the Board of Trade, on the 12th of April, 1842, that, with so small a protection, the cultivation of them in Yorkshire must be abandoned. The import rose from 1794 cwts., in 1840, to 99,062 cwts., or nearly 5000 tons, in the second year of the new law. But this quantity is little more than the crop of 600 acres of land; and constitutes but one-sixtieth part of the estimated

consumption of the metropolis alone, perhaps one six-hundredth part of the consumption of the country.

The duty on onions was reduced from 3*s.* to 6*d.* The quantity increased from 14,500 bushels in 1840, to 34,900 in the second year of the new law. Now this quantity, I believe, is the yield of about 116 acres of land : whereas I have been informed that, in the county of Essex alone, eight or ten times that breadth is occupied in raising not onions, but onion-seed.

Again, among manufactured articles. The importation of men's boots rose from 4800 pairs to 12,900 pairs, and shoes of the same description from 1100 pairs to 3700 pairs. But if we assume that each male person in the metropolis and its vicinity wears out two pairs of boots or shoes annually, it will appear that the increase in the foreign supply of between 10,000 and 11,000 pairs can scarcely amount to more than one-hundredth part of the demand for that portion of the population of the country taken alone. In the case of women's boots and shoes there is an increase of about double the number of pairs, which might possibly supply about 2 per cent. of the corresponding demand.

In another class of cases where the first proposition of the Government was regarded as utterly ruinous, and some modification of it took place in consequence of the apparent strength of the representations, or of the indisposition to bear hard upon a feeble class (for no such concession was made during the whole of the discussion in any case affecting a powerful interest), the result has very commonly been that the change eventually made has been practically a nullity.

For instance, in the first print of the Resolutions of 1842, it was proposed to reduce the duty on starch from the prohibitory rate of 9*l.* 10*s.* per cwt. to 5*s.* per cwt., about 20 per cent. on the value of the foreign article in bond. However it was subsequently agreed to substitute 10*s.* for 5*s.* ; and even a greater change than this was urged by members of Parliament inclined to free trade, on the ground of the enhancement of the cost of wheat (from which starch was usually made) in this country through the operation of the corn law. The duty of 10*s.* was represented by manufacturers of starch as a totally insufficient protection. Now mark the result.

In the first twelve months of the new law we find an experimental importation took place to the extent of 498 cwts. But in the second year it sank to 20 cwts., or a value of about 25*l*.

The case of straw platting, again, is a remarkable one. In order, however, to estimate it justly, we must combine with it the entries of the hats or bonnets made of straw plat. These latter were charged by the dozen under the former law; but I convert these into weight at $3\frac{3}{4}$ lbs. per dozen:—

	1838.	1839.*	1840.
Weight of straw-plat entered . .	34,662 lbs.	22,340 lbs.	13,034 lbs.
„ straw hats or bonnets . .	1,171 lbs.	1,241 lbs.	2,307 lbs.
	<u>35,793 lbs.</u>	<u>23,531 lbs.</u>	<u>15,341 lbs.</u>

Thus the trade was falling off. The duty was very high—17*s*. per lb., or about 80 per cent. on the plat, and from 50 to 60 on the manufactured article: an anomalous relation between the duties on the material and on the article made up, which was very far from uncommon under the former law. It was proposed to reduce the duty on the plat to 5*s*. Numerous remonstrances were made; and the Government so far receded as to fix it at 7*s*. 6*d*.; and that on hats or bonnets of straw was settled at 8*s*. 6*d*. per lb., instead of a rate equal probably to about 18*s*. 6*d*. per lb. In the face of these great reductions, the importations actually declined upon the change; and in the second year they scarcely recovered the low scale of 1840, and did not reach a moiety of that of 1838, as will appear from the following figures:—

	1842-3.	1843-4.
Weight of straw plat entered . . .	8,322 lbs.	12,070 lbs.
„ of straw hats or bonnets . . .	<u>4,081 lbs.</u>	<u>3,546 lbs.</u>
Total . . .	12,403 lbs.	15,616 lbs.

Without specifying other instances, I pass to another numerous class of cases—those, namely, in which speculation was set to work by the change of the duty, and importation of the commodity immediately took a spring; but in which a material decrease in the second year, as compared with the first, shows that the expecta-

* See Tables of Revenue, Trade, &c., Part x., 1840.

tions which had been raised had also been in various degrees disappointed. Thus, for example, we find the following entries:—

1. Among manufactured goods—

	First Year.	Second Year.
Gloves	1,919,000 pairs	1,795,000 pairs
Damasks and damask diaper	33,000 yards	21,000 yards
Plain linens	7,500 <i>l.</i> at value	6,500 <i>l.</i> at value
Spirit of turpentine	7,722 cwts.	35 cwts.
Embroidery	25,000 <i>l.</i> at value	7,500 <i>l.</i> at value
Manufactures of skin or fur	3,700 <i>l.</i> „	1,800 <i>l.</i> „
Hard soap	710 cwts.	536 cwts.
Dutch bricks	233,000 number	202,000 number
Plain china	1,353 <i>l.</i> value	980 <i>l.</i> value

2. Among articles of food—

	First Year.	Second Year.
Beef, salted (foreign)	3,462 cwts.	989 cwts.
Pork, salted (foreign)	7,677 „	1,096 „
Salmon	764 „	108 „
Bacon (foreign)	206 „	28 „
Hams (foreign)	6,188 „	2,716 „

Most of these were articles, with regard to which the very greatest apprehensions had been expressed. It is within my own recollection, that in the month of August, 1842, the people of a rural district of Scotland, thirty or forty miles from any focus of foreign trade, were much excited on the subject of some salt meat which had been exposed for sale at 3*d.* per lb., in consequence, as was professed, of the new tariff: the fact being that the change in duty on that article amounted only to the small sum of 4*s.* per cwt., and that this change did not take place until the 10th of October, two or three months after its miraculous results had been palmed upon the public. Nor was it an uncommon thing in the streets of London to see advertisements of goods purporting to be cheapened by the new tariff, with regard to which no change either was made or had ever been proposed.

But the most remarkable example of this recession after a first experiment was in the case which of all others excited the greatest alarm and apprehension—namely, the importation of live animals for food. Arguing in Parliament against the exaggerated appre-

hensions which were entertained with respect to the effects of that measure, I protested against an estimate, that had met my eye, according to which it was shown, that in the course of a few years there might be 300,000,000 pigs disposable for importation into England from a single country: but I, somewhat weakly, admitted the possibility that within a short time we might have from abroad as a maximum of addition to our supplies, 50,000 head of cattle annually. The importations of the first six months were—

Cattle	4,076
Swine and hogs	410*

But the parties engaged in them apparently (as it is termed) burnt their fingers: for in the whole year 1843 there were only imported—

Cattle	1,482
Swine and hogs	361

There is, indeed, a revival in 1844, sufficient to save the results of the measure from becoming ridiculous. In that year we obtained from the whole world—

Cattle	4,865
But of swine and hogs only	271

An argument, however, has been frequently advanced to the effect, that the foreign prices have acted powerfully in reducing British prices to their own level, although when they had reached that level no extended opening could remain for importation. My answer is two-fold: first, it is impossible that foreign prices could have exercised a depressing influence upon the immense market of England to any considerable extent—say, for instance, 1*d.* per lb.—without having held out such opportunities of profit by actual importations from abroad as must have led to very much more extensive operations than those which have actually taken place; secondly, there are two modes in which price may be lowered—either by addition to supply, or by subtraction from demand. An addition of 3000 head to supply will have no greater effect upon prices than a diminution of 3000 head in the demand. The new tariff is responsible for the addition of 3000

head to the supply; but commercial distress—affecting immediately, perhaps, four or five millions of the people, nearly all of whom were consumers of animal food—is responsible for contracting the demand to an amount nearer 300,000 head than 3000. If fall of price took place, it appears to me more rational to ascribe it to the latter cause than to the former one.

The result seems to be that there is no likelihood, for some considerable time at least, of our obtaining a supply of cattle from abroad at all sufficient to meet the steady increase of our population. Nor is this, in my view, an unsatisfactory result. On the contrary, what has taken place is highly cheering, for this reason, at least, that it shows this most important branch of agricultural industry in our own country to be pursued with an economy and skill which need not shrink from competition, and which, indeed, has now defied it; and it may teach us not to regard, so much as we are apt to do, the low nominal prices which commodities may bear in some other countries, while, notwithstanding, it may be, and is often true, that, when quality is considered, the Englishman gets the cheapest article.

I must quote, however, as a last class of illustrations, one or two cases of manufactured commodities, for the very striking manner in which they contrast the anticipations of persons bewildered by their fears with the actual results of changes in duties upon imports.

Amidst predictions of ruin, the duty on the candles termed *stearine* (a refined tallow) was reduced from 63*s.* 4*d.* to 23*s.* 4*d.* per cwt. The quantities entered were no more than 1000 lbs. (of the value of perhaps 50*l.*) in the first year, and 2000 (or 100*l.* in value) for the second.

The duty on beaver-hats was lowered from 10*s.* 6*d.* each to 2*s.* 6*d.* each. Foreign hats had been introduced in 1840 to the number of 240. In the first year of the new Act they were but 135, and in the second 191.

The duty on cordage and on cable-yarn was reduced from 10*s.* 9*d.* per cwt. to 6*s.* per cwt. The first proposal was only 5*s.* This duty touched upon a very important trade, and a great mass of hand labour. We are importers of 700,000 cwts. of

hemp annually, of the value of about a million sterling. There was submitted to the Government the most complete invulnerable paper-demonstration, that our trade in cordage must pass bodily into the hands of Russia. Export duties, low wages, employment in the long Russian winters for hands otherwise idle, and therefore costing next to nothing, saving in freight and insurance—all these arguments and many more were duly marshalled. It was shown by a price current from St. Petersburg that the change meditated in England had excited attention in that market. Moreover, all this was not only urged by traders of intelligence and character, but they were led on by one of the most distinguished among the many distinguished men of business in the city of London, thoroughly acquainted with the trade from former connexion, but then, I believe, retaining little or no interest in it. The prophecies of such men made, I confess, a deep impression on my mind, which has become deeper still since I have witnessed their issue.

However, the stroke descended; and the importations of cordage and cable-yarn, taken together, which had reached 451 cwts. in 1838, and 294 cwts. in 1840, rose to 333 cwts. in 1842-3, and to 1032 cwts. in 1843-4; the trade in the manufactured article thus appearing to be in extent about one six-hundredth part of that in the raw material.

The case of corks, on some accounts, was still more remarkable, because it was one of those commonly quoted at the time by such persons as chose to cast upon the Government the imputation that, while they dealt gently with great interests, they dealt most severely with small ones; and I am bound to add, because, as I believe, the journeymen employed in this trade were, in some instances, actually dismissed from work in anticipation of the change. They therefore, no doubt, had good reason to believe the predictions that were freely delivered on all hands of the total and certain loss of our trade in cork-cutting; and, I must admit, it was distressing to receive from persons in such a class remonstrances so piteous, delivered in a manner the most candid, simple, and sincere.

Their case attracted an uncommon degree of attention, and

perhaps not less than ten or twelve deputations attended various members of the Government upon it, to say nothing of a voluminous correspondence, while a most lively interest in their favour was excited in the House of Commons.

But I think it is manifest that these parties, and those who supported them in Parliament, were deceivers, as being themselves deceived. I arrive at this conclusion from the figures before me. The change was postponed until July, 1843, so that there was plenty of time to prepare large importations of the manufactured article. The old duties were, on the wood, 8*l.* per ton, and on corks 7*s.* per lb. The uniform declaration of the parties in the trade was, that no duty less than 4*s.* per lb. would protect them. The rates were reduced to 1*s.* per ton on the wood, and 8*l.* per lb. on corks. The importations of the first year, under the altered system, were as follows:—

Corks, 81,683 lbs. =	. . . . .	36½ tons.
Cork-wood . . . . .	. . . . .	4,271 „

Or the import of the manufactured article from abroad was about the one-hundred-and-eighteenth part of the import of the material to be manufactured in this country. But there is much refuse in cork-wood. If, then, we allow each ton of corks to represent in value two tons of cork-wood, still the proportion remains one to fifty-nine. If, further, we ought to allow for the excess in the delivery of cork-wood for the period in question, because of the reduction of the duty charged on it, then we find the average delivery of two years—from July, 1842, to July, 1844—to be only 2973 tons,* instead of 4271 tons; and the proportion of the trade in the manufactured article becomes one in forty-one, or somewhat less than 2½ per cent. of the whole. This is a change, no doubt; but if it be a violent and cruel one, then it is difficult to conceive what change is not violent and cruel; and it remains a memorable example of the difference, in such matters, between anticipation and experience.

I must add, however, that I had long ago been informed that the trade was in a small number of hands, and was conducted

* The mean delivery of 1838 and 1840 was 2933 tons.

with something of the manner of monopoly, and that English corks were very inferior to those of French manufacture. I learn, upon recent inquiry, that the price of wine-corks has been reduced from 8s. to less than 6s. 6d. per lb. by the change; but the bulk of the trade, it is manifest, has been retained in British hands.

I shall draw a concluding illustration from the occurrences of last year. The same words, I might almost say the same formulæ, of sinister prognostication were then used, *mutatis mutandis*, by the manufacturers of vinegar, including persons of the very highest respectability, which had been employed in 1842 by many scores of other classes. I ventured to refer, at a conference, to the falsification of the previous omens in so many instances. I was answered by a distinguished member of Parliament (friendly to the abolition of the Corn Law), who accompanied the deputation, that it would be no consolation to the vinegar manufacturer when he should find his apprehensions realised, to know that other trades had discovered theirs to be baseless. It afforded, however, some presumption that his demonstrations and his prophecies might prove to be of the same family as theirs, and to be destined to the same limbo.

The trade declared a duty of 1s. per gallon on foreign vinegar to be necessary in order to enable them to subsist. It was reduced (from 1s. 6d.) to 4d. I subjoin the result:—

Quantities of Foreign Vinegar entered for Home Consumption.

In the year 1841	. . .	22,205	gallons.
In 1842	. . . . .	18,139	„
In 1843	. . . . .	14,144	„
In 1844 (new duty from June 6)	. . . . .	49,574	„

Now, the quantity of British vinegar charged with excise duty appears to have been about 3,000,000 gallons,—so that the foreigner has at most obtained (up to the present time) but one-sixtieth part of the trade, and fifty-nine parts remain with the British manufacturer.

That in some few instances, among alterations so numerous, the British producer may have been subjected to inconvenient pressure, I can readily believe: that increased importation has

produced benefit to the public almost follows, as a general rule, from the fact that it has taken place. That the degree of increase has ordinarily been so limited appears to me, on the whole, to be a fact full of instruction; and gives rise not only to the supposition that foreign competition has often stimulated improvements which have enabled the British producer to repel or to endure it, but also to the inference I have already named,—which, if true, is very important,—namely, that British industry—even when it is not supported by superior machinery, by the application of capital on a large scale, or by great physical advantages—is able to meet the industry of foreign countries upon a footing of less inequality than we have been apt to suppose.

It would be well, also, if all parties, who conceive themselves to be threatened by impending changes, would recollect that there are usually some classes who have a strong interest in exaggerating their force, and that such interest may either afford a temptation to dishonesty, or very powerfully warp the judgment. It was, for instance, a tempting opportunity in 1842 to assure the farmer that foreign cattle would come over like locusts, and thereby to induce him to sell his own better bred and fed beasts for much less than they were worth. Much mischief of this kind, I do not doubt, has been done; but for such mischief the legislature is hardly to be held responsible.

I have now completed my endeavour to show—however inadequately, yet in a connected form—the proportion of our revenue and of our commerce which have been affected by legislation, comprised within a period of three years, and the results of that legislation upon both; and I cannot scruple to avow that they seem to me to vindicate the policy of a gradual and circumspect relaxation of restrictions, as being the best means of enabling the skill and labour of England to find their full value in the market of the world.

It has been my endeavour rather to state facts, and the inferences immediately connected with them, than to trace the relation subsisting between these and the general principles of trade, and of legislation in respect to trade. Yet I feel strongly that the results obtained up to the present time, although necessarily as

yet incomplete, are in a high degree favourable to the commercial policy applied on a large scale by the legislature in the year 1842, and again upon different occasions during each of the years that have since elapsed. I have yet greater satisfaction in the belief that these results tend not less, but even more powerfully, to uphold the proposition that the foundations of the commercial power of this country are up to this moment, at least in a commercial sense, unimpaired; and that the industry and skill, which are its central support, together with the physical advantages and those of great capital and long established connection which are its accessories, will receive no vital wound from the restrictive measures which have found or may find acceptance elsewhere.

But while it seems to me just that the principles favourable to the circumspect and guarded relaxation of restraints upon trade should not be defrauded of any credit which an actual, though partial, experience may show to be their due, I am bound to add that I for one draw no inferences from what I am about to state in favour of their precipitate and sweeping application, or of practising, by an incessant repetition of experiments in legislation, upon those employments by which our fellow-countrymen gain their bread. I am a deliberate adherent of that policy which is described in contemptuous terms as halting between two opinions: between the opinion which regards commercial restriction as being permanently and essentially a good, and the opinion which deals with it as an evil necessarily greater than that of a sharp and violent transition to freedom; as the source of all our economical difficulties; and even as a violation of the laws of God. Nor is it a fearful and languid mean, a mere neutrality, of which the observance is here implied: it is only that reasonable circumspection, that regard to the lessons of the past, in their detail, as guides for the future—that just comparison of conflicting considerations and care to elicit their compound result, which in almost every branch of legislation constitute the universally acknowledged rule of statesmen, and which have alike marked the genius of the institutions of this country as a whole, and the character of its people.

For the desire to realise, under these conditions, a just

liberty of trade, I can deem no apology requisite from any adherent of a party which follows in the main Mr. Burke and Mr. Pitt as its guides among the luminaries of a former generation, and which has reckoned Mr. Canning, Lord Liverpool, and Mr. Huskisson among its members, within the memory and the experience of our living statesmen. The disposition, by which that desire is balanced, is a disposition to respect the subsisting distribution of capital and labour, to preserve it from all violent and sudden shocks, and from the worrying agitation of incessant change, to maintain a confidence, not in the absolute immobility of law, but in the determination of the legislature to deal temperately and dispassionately by all, to adopt no change except for some good and positive reason, and to confine it when adopted within the limits which such reason prescribes. For this disposition I find an ample defence, alike in the writings of economists, in the acts of commercial statesmen, and in the analogies which all legislation, and especially which all British legislation, supplies.

There are indeed some who would, as it were, revenge upon commerce itself the wrong done to higher pursuits and ends by the money-worshipping spirit of the age. I do not doubt that wealth is the heaviest curse to those who idolize either it or the pleasures which it purchases; and that the pursuit of wealth is often one of the subtlest snares by which the path of the human being is beset. But in this view, wealth, and commerce as the means of wealth, are like knowledge, or talent, or health, or any other earthly endowment. Yet each of them has its place in the natural—that is, in the Providential—order of the world. Let us not exalt them above their own region, but neither let us deny their prerogatives within it. The diversity of the productions of different regions is the primeval law which sanctions their exchange:—

‘Nonne vides, croceos ut Tmolus odores,

India mittit ebur, molles sua thura Sabæi?’—*Virg. Georg. I. 66.*

Still there is an alteration in the policy of the present year, as compared with that of 1842, so important as to demand specific notice: I mean the total abolition of duties, of great duties like

those on cotton and glass, as well as small ones, like the multitudes of petty imposts that are now on the point of being swept from our tariff, instead of a reduction which might aim simultaneously at relieving trade and at giving scope, through increased consumption, for the final recovery of the revenue surrendered.

I am not about to discuss in this place the policy of the abolition of minor duties on materials of industry, but to offer a few remarks upon another very important subject, closely allied to that of our own commercial legislation—I mean the commercial legislation of foreign countries. It is by considerations drawn from this quarter that I should prefer mainly to vindicate the principle of total abolition of duty, as applied to those articles upon which British labour is to be employed.

But in the first place I must endeavour to set aside a notion which has gone abroad, and which has received countenance in quarters where it was little to be expected, that our trade with foreign countries, and especially with the continent of Europe, is of comparatively small, or at any rate of diminishing, importance. I apprehend that the labour of the people of Great Britain, man for man, is the most productive labour in the world. We subject it to a severe test in comparing it with that of the United States. On turning, however, to a recent estimate, drawn from accounts which have the sanction of some public authority, I find the total annual product of the industry of that country,* in the various branches of agriculture, manufactures, commerce, mining, the forest, and the fisheries, calculated at 1063 millions of dollars; equal to above two hundred and twenty millions sterling. The population amounted at the same time to between eighteen and nineteen millions, or was about equal to that of Great Britain in 1841. We have no statistics which would warrant my venturing upon a determinate conjecture of the annual value of the fruits of the labour of this country, but I do not think there can be a doubt that they must be considerably higher—suppose even to the amount of 50 per cent. But if this be so, still the fact remains, that a much larger proportion

* Tucker's 'Progress of the United States,' p. 195. 1843.

of our industry is engaged in trade with foreign countries, than of the industry of America. Her exports are under twenty-five millions sterling, ours are over fifty. Of her labour, they employ one-eighth; of ours, even according to the computation I have hazarded, a sixth. In short, we are more dependent than any other great people upon external trade for the employment of our population.

Nor is it the fact that, as many suppose, this external trade is leaving the channels of our intercourse with Europe in order to fill those of distant, and especially of colonial markets.

In order to make good this proposition, I take the term of the thirteen latest years of which we possess the accounts—namely, from 1831 to 1843;* and I show by the following figures the increase of our export trade,—

1. With the whole world;
 2. With the whole world, except Europe;
 3. With Europe alone.
1. In the year 1831 we exported to all countries of
the world goods of the declared value of . . . £37,164,372
In the year 1843 52,279,709
Increase in twelve years . . . 15,115,337
or 40·6 per cent.
 2. In the year 1831 we exported to all countries,
except those of Europe, goods amounting to
the declared value of £23,523,932
In the year 1843 28,295,750
Increase in twelve years . . . 5,771,818
or 24·5 per cent.
 3. In the year 1831 we exported, to Europe only,
goods to the declared value of £13,640,440
In the year 1843 23,983,959
Increase in twelve years . . . 10,343,511
or 75·8 per cent.

According to this statement our trade with Europe has increased nearly twice as fast as our trade with the whole world,

* From the Decennial Tables for 1831-40; and the subsequent single years as they have appeared.

and three times as fast as our trade with the residue of the world.

But, as single years may fluctuate from irregular causes, let us take periods of three years, in the same order as that already followed :—

1. In the years 1831-3 we exported annually to all countries, on the average, goods to the declared value of £37,760,771
 In the years 1841-3 50,431,785
 Increase in ten years . . . 12,671,014
 or 33·5 per cent.
2. In the year 1831-3 we exported annually, on the average, to all countries, except those of Europe, goods to the declared value of . £22,815,359
 In the year 1841-3 27,087,423
 Increase in ten years . . . 4,272,064
 or 18·7 per cent.
3. In the years 1831-3 we exported annually, on the average, to Europe, goods to the declared value of £14,945,411
 In the years 1843 23,344,362
 Increase in ten years . . . 8,398,951
 or 56·2 per cent.

According to this mode of computation, the rate of increase in our European trade approaches to double that of our entire external trade ; and it exceeds by more than three times the rate of increase in our trade with the other three quarters of the globe.

In European trade are included our European colonies ; but of these Gibraltar alone materially influences the result ; and the exports to Gibraltar are due to the commercial demand of foreign states. The condition indeed of the trade with the United States, in the years 1842 and 1843, has an unfavourable influence in the comparison : and it is also true that, on the whole, our European trade does not now represent so great an amount of British labour, in proportion to its extent, as it did twenty years or thirty years ago : but neither these nor any other circumstances, so far as I

an aware, can do more than slightly qualify the conclusions which the foregoing figures appear to establish.

The period during which this rapid extension of dealings has been going on, has been distinguished, first, by many relaxations in the commercial code of England, and increased facilities for the importation of foreign commodities; and, secondly, by efforts on the part of almost every European power either to erect or to tighten a restrictive and prohibitory system.

In the earlier portion of the period was constituted the Customs' Union of Northern Germany; a wise and noble scheme, if it be viewed in its internal bearings, for extending the intercourse of a great people, for maintaining its European influence, and enhancing its sentiment of nationality; but, with respect to foreign trade, a measure of jealousy and rigour, not the less but the more grievous because its severe and in many instances crushing enactments were ushered into the world under the most alluring titles of simplicity and uniformity, and with a professed limitation of the maximum or general duty upon imports to 10 per cent, *ad valorem*.

Within the last four years, Russia, Prussia, France, and Spain—in fine, every great country of Europe, except Austria—has given increased stringency to its commercial system. Nor have the minor states in general been backward in following the vicious example. Belgium in particular worries her commerce with a succession of new restraints, now taxing iron, now cottons, now linen yarns, and at last inventing a system of differential duties upon ships, with the avowed intention of taking rank among the maritime powers of Europe! On the other hand, the signs of a disposition to relax have been few, and generally faint. Hanover has indeed stood her ground, and Holland has even reduced her domestic tariff, which was very moderate before the reduction. Sardinia has made considerable diminutions in her customs' duties. Portugal was not unwilling, but sought too high a price, in the surrender of British revenue, for doing herself a benefit. Austria has effected some small relaxations, and, though they are small, she deserves honour for them.

On the other side of the Atlantic, it is enough to refer to the

tariffs of Brazil, adopted in 1844, and of the United States, adopted in 1842: the latter distinguished from those of the whole world in this particular, that while we are constantly assured that its main object is revenue and not protection, it admits free of all duty tea and coffee, and other articles on which revenue could be raised without any other than a fiscal effect, and imposes heavy charges only on such productions as can enter into competition with its domestic interests.

Most of the countries-to which I have adverted appear to be possessed by a sentiment that they have found the philosopher's stone in a prohibitory system. They appear to have realized one of the most singular of the impostures of Joseph Smith, the leader of the Mormons, who I think professed to have discovered in the far north a people enormously rich, whose territory had, from time immemorial, been surrounded by walls of brass, that they might have no intercourse with any other nation of the earth. England, it is held, has grown rich by restriction, and now only wishes to grow richer by casting it away. Whether we relax or not, they are alike inexorable. When we maintain the restraints we find in existence, they use our conduct as their apology for inventing new ones. When we remove such restraints, they perceive only a deeper plan for bringing about their ruin by cheap production, which requires of them still more imperiously the multiplication of their repressive and prohibitory enactments.

It is needless to determine, for how much of this unfortunate policy abroad, England, by her own proceedings, at certain periods in particular, has become justly responsible. That would be a necessary inquiry if I were engaged in examining my subject for the purpose of awarding praise or blame; but it is not so. In the first place I believe that the European governments are obeying what seems to grow more and more the law of all governments, and are exhibiting the actual direction of the popular movement, often in opposition to the personal convictions of their members. Doubtless they act on what they believe to be, on the whole, for the good of their respective countries; and I entirely disclaim alike the right and the desire to censure them.

It may be true that England is the main sufferer by their pro-

ceedings. We hear much of the jealousy with which she is regarded; we know that the flame of jealousy readily finds its necessary food, where there is a supposed collision of pecuniary interests; but I for one utterly disbelieve that hostility to England is the root and ground of these measures. I rather view it as an unhappy, and, if I may so speak, a maladroit homage to her, that other nations show so very impetuous a desire to copy her example, and trust more to her traditions than to their own understandings.

I cannot however but believe, on the part of our own legislators of former times, that they looked to the protective system rather as a temporary stimulus to enterprise while yet in its infancy, than as a permanent and essential good—rather as a means of developing real, natural, inherent capabilities, than as an expedient for supplying the want of them. I fear that the temper now prevailing in many countries verges towards this latter, and surely most irrational, most pernicious view.

I have dwelt long on this subject of the commercial policy of foreign states, but it is one of immense moment. The power of capital, skill, industry, long established character, and connexions, sustaining English commerce, bears up against all that has been done. Sometimes the smuggler gives us a commercial remedy, in which no man should rejoice, hand in hand with a moral evil. Sometimes what we lose by new restrictions in a particular country, we gain by the diminished capacity of that country, now become a dearer producer, to compete with us in third markets. Sometimes enhancements of price, equivalent to the increase of duty, leave to the British merchant the means of continuing his business; and the whole weight of the burden is borne by the patient public of the foreign state. Sometimes our trade staggers for a moment under the blow, and then recovers. Upon the whole, notwithstanding the sharp and rapid succession of restrictive measures during recent years, it has grown, and continues to grow, from year to year with a perverse rapidity, as if persecution were not less feeble when applied to commerce, than it is now commonly reputed to be when used against religious opinion.

But if so, it may be naturally asked, why all this anxiety? My answer is, that while I do not believe that we have been losers, relatively to the countries of which I now speak, but hold, on the contrary, that their blows have told most severely on themselves, yet I cannot doubt that the states in question have taken much from us as well as from their own inhabitants, have neutralised or contracted a thousand benefits which it was practicable to have attained, and that their policy demands from us a vigorous and steady counteraction.

But what is to be the form of that counteraction? Are we to weary them, by remonstrances, into undoing their acts? But first, as matters now stand, it is too probable that we should be interpreted by contraries, as Irish pigs are said to understand their drivers; that the earnestness of our request might be deemed the most demonstrative reason against its being granted. Secondly, to do is one thing, rapidly to undo is a very different one. We ourselves have occasion to urge this plea: we must allow it due weight on behalf of others. We cannot and ought not to expect foreign states at once to break down the lofty barriers which they have been so carefully erecting.

Shall we then counteract by retaliation? The public sentiment, I think, among us nowhere leans to such a course. For states having more contracted interests to regard, it is, I believe, in most cases, as unwise as at first sight it is seductive: for us it would be suicidal.

Shall we then pursue the daring course of repudiating at once all our own restraints, all our protective duties, high and low, and our Navigation Act from its first section to its last, in order thereby to prove our heroic sincerity, and to force a sympathy in other lands, which shall bear down every obstacle, and establish the commercial intercourse of men on the footing of universal brotherhood? This is the sentiment of an hardy minority among us; but the project, on account of its disregard of subsisting arrangements and habits, is unwise and unjust: and, what is enough for enabling us to dispense with detailed discussion upon its merits in this place, it is plainly impracticable.

There remains, I think, only one course—it is to use every

effort to disburden of all charges, so far as our law is concerned, the materials of industry, and thus to enable the workman to approach his work at home on better terms, as the terms on which he enters foreign markets are altered for the worse against him. I do not believe that this will be a losing game ; but, on the contrary, that if we steadily pursue it, then although the prohibitory policy of foreign states, or, as I should rather say, although the forced concessions of foreign governments to the anti-commercial spirit of particular classes of their subjects, may indeed and will diminish the aggregate trade of the world, they will not diminish the share of it which falls to the lot of England. They may smite, from time to time, some branch of our commerce, and it may fall as a lofty tree falls in the forest. We hear the crash, and we deplore the void ; but we forget that a thousand more are lifting their heads and spreading forth their arms with an insensible but constant growth. Even so it is in our commerce with other nations. If a new tax is laid in Germany upon the iron which our bounteous earth yields us in profusion, that tax cripples the power of the country imposing it to compete with us in every one of the hundred branches of trade to which iron is an accessory. If France doubles the duty on our linen yarns, she stimulates us to economy, and bids the smuggler thrive, she taxes her consumer, and fetters that ingenuity and taste on the part of her weavers, which are the main support of her commercial strength.

I do not mean that what is undoubtedly injurious to us is to be viewed with satisfaction because it is yet more injurious to others ; but let other nations come to be convinced that such is the tendency of their present policy, and they will spontaneously save us the trouble of expostulation, and will hasten to reverse it, for the just and natural reason which alone would warrant their reversing it—namely, not our interest, but their own. How are they to be brought to that mind ? As I think, by seeing that although we may, by one act and another, be crippled in detail, yet our aggregate commerce even with them maintains itself, and even gains further augmentation ; that while they obstruct the channel at one end, yet, as we clear it at the other, the waters find their

way in reflux as well as flux: that their purchases from us, in despite of adverse legislation, have increased with their sales to us, and that with a rapidity that none but the most sanguine would have ventured to expect. Let us have a few more years of experimental instruction, such as that which is afforded by the figures of the statement I have given of the relative growth of our trade with Europe and the world: such results cannot fail to exercise a powerful influence on the intelligence and the will of governments, and of the nations whom they rule.

It is this regard to the course of commerce and of commercial legislation in the world at large which convinces me of the wisdom of pushing further than might otherwise be necessary, or even desirable, our efforts to relieve the materials of industry from fiscal burdens, and also of endeavouring to diminish (as is just now being done in the case of sugar) the impositions upon articles of consumption, as the state may be able to afford it, and our own industry and capital, immediately engaged, to bear the operation, I do not say without alarm, but without real and substantial derangement.

I freely grant that the relief of raw materials from taxation is a different policy from that of annihilating protection: some will say a more timid, as I venture to think a more just and a less hazardous course of action. But at least it has been steadily pursued. Before 1842 we levied upon foreign commodities of that class nearly three millions and a half. Of this sum nearly 1,250,000*l.* was surrendered in 1842 and 1844. In the present year there is added another million: and at the same time nearly 800,000*l.* of taxation, analogous in its character, that is of direct charge upon glass and upon coals produced at home, is likewise given up. Only three articles belonging strictly to the class of raw materials will now remain subject to taxation: namely, copper ore, timber, and tallow: and of these the two first have been placed by the law of 1842 upon a footing much more favourable to the consumer than that on which they formerly stood. Such being the case, I think the actual policy of the country, notwithstanding exceptions and apparent anomalies, is as clear and undeniable in fact, as it is sound in reason.

I close this review with two remarks. First, I have taken no particular notice of many important changes in the laws affecting our foreign commerce, which have been adopted during the last few years, such as the universal permission to export machinery, the Corn Substitution Act, the freedom of the trade for provisioning ships, the reduction of duties in the colonial possessions of the Crown, the abolition of the system of naturalisation of goods, and the Canadian Corn Act—the last a measure of which we are not yet, I think, in a condition to form any judgment from experience. All these, however, belong to the same policy in its different aspects: they must stand or fall with it, and I need not prolong these already lengthened remarks by examining them in detail.

Secondly, in exhibiting so many figures, and traversing a ground so extensive, I am aware that even this prolonged statement must be very incomplete; and further, that besides omitting, in some cases, what is material, I may even have advanced what is erroneous. If it be so I hope, and I do not doubt, there will be found persons both able and willing to set me right; but neither in estimating relief to trade, nor surrender of revenue, nor the results of the diminution of protective duties, have I in any instance knowingly given a form or colour to my statement such as would draw from it an undue advantage for my reasoning. I have thought it necessary to state this, because in such matters figures are an instrument of dangerous and tempting power; and in order to use them justly and fairly, there is need not only of a generally honest intention, but of constant care in their application to particulars.

London, March 15, 1845.

